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BEFORE THE ARIZONA CORPORATION COMMISSION COMMISSION 1 2 WILLIAM A. MUNDELL OCT 0 4 2001 **CHAIRMAN** 3 JIM IRVIN COMMISSIONER DOCKETED BY 4 MARC SPITZER **COMMISSIONER** 5 IN THE MATTER OF THE APPLICATION OF DOCKET NO. W-01656A-00-0777 6 SUN CITY WATER COMPANY, TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY LOCATED WITHIN PEORIA, ARIZONA. IN THE MATTER OF THE APPLICATION OF DOCKET NO. SW-02276A-00-0777 SUN CITY SEWER COMPANY, TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND 10 NECESSITY TO CERTAIN AREAS LOCATED WITHIN PEORIA, ARIZONA. 11 IN THE MATTER OF THE APPLICATION OF DOCKET NO. W-01656A-00-0777 12 SUN CITY WATER COMPANY, TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND 13 NECESSITY TO CERTAIN AREAS LOCATED WITHIN MARICOPA COUNTY, ARIZONA. 14 IN THE MATTER OF THE APPLICATION OF DOCKET NO. SW-02276A-00-0777 15 SUN CITY SEWER COMPANY. TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND 16 NECESSITY TO CERTAIN AREAS LOCATED WITHIN MARICOPA COUNTY, ARIZONA. 17 IN THE MATTER OF THE APPLICATION OF DOCKET NO WS-02334A-00-0777 18 SUN CITY WEST UTILITIES COMPANY, TO EXTEND ITS CERTIFICATE OF CONVENIENCE 19 AND NECESSITY TO CERTAIN AREAS LOCATED WITHIN SURPRISE, ARIZONA. 20 IN THE MATTER OF THE APPLICATION OF DOCKET NO. WS-02334A-00-0777 21 SUN CITY WEST UTILITIES COMPANY, TO EXTEND ITS CERTIFICATE OF CONVENIENCE 22 AND NECESSITY TO CERTAIN AREAS LOCATED WITHIN SURPRISE, ARIZONA. 23 IN THE MATTER OF THE APPLICATION OF DOCKET NO. WS-02334A-00-0777 SUN CITY WEST UTILITIES COMPANY, TO DECISION NO. 64063 TRANSFER TO SUN CITY WATER COMPANY A 25 PORTION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY LOCATED **OPINION AND ORDER** 26 WITHIN MARICOPA COUNTY, ARIZONA.

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DATE OF HEARING:

2 PLACE OF HEARING:

Phoenix, Arizona

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PRESIDING ADMINISTRATIVE

LAW JUDGE:

Marc E. Stern

May 10, 2001

APPEARANCES:

Gallagher and Kennedy, by Mr. Todd C. Wiley, on behalf of Sun City Water and Sewer Companies and Sun City West Utilities Company; and

Ms. Janet F. Wagner, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On October 2, 2000, Sun City Water Company ("SCWC"), Sun City Sewer Company ("SCSC") and Sun City West Utilities Company ("SCWUC") (collectively "Applicants") filed with the Arizona Corporation Commission ("Commission") an application which requested approval for the extension of their respective Certificate(s) of Convenience and Necessity ("Certificate(s)") to provide water and sewer service, respectively, within the Cities of Peoria ("Peoria") and Surprise ("Surprise") and Maricopa County, Arizona. SCWUC also requested that the Commission approve the transfer of a small portion of its certificated service area for water in Maricopa County to SCWC.

On April 5, 2001, by Procedural Order, the above-captioned application was scheduled for hearing and the Applicants were ordered to publish notice of the application and hearing thereon.

On April 16, 2001, the Commission's Utilities Division ("Staff") filed its Staff Report in this matter.

On May 10, 2001, a full public hearing was convened before a duly authorized Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Applicants and Staff appeared with counsel. At the conclusion of the hearing, the matter was taken under advisement pending submission of a Recommended Opinion and Order to the Commission.

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Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

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FINDINGS OF FACT

1. Pursuant to authority granted by the Commission, Applicants, which were formerly

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wholly owned subsidiaries of Citizens Utilities Company ("CUC"), provide public water and sewer utility service to thousands of customers in the communities of Sun City, Sun City West, Surprise, Peoria, and in parts of Maricopa County, Arizona.

- On October 2, 2000, Applicants filed an application for the extension of their Certificates in order to comply with Decision No. 60172 (May 5, 1997) which ordered CUC to file applications to extend its Certificate(s) to encompass all areas where customers are being served with water and sewer service by its various subsidiaries. To comply with Decision No. 60172, CUC filed the instant application to deal with these parcels of land which are more fully described in Exhibit A. attached hereto and incorporated by reference.
- 3. SCWC and SCSC are requesting the Commission to extend their Certificate(s) in Peoria, and in Maricopa County as described in Exhibit A.
- 4. SCWUC is requesting the Commission to extend its water and sewer Certificate(s) in Surprise and in Maricopa County as described in Exhibit A.
- 5. SCWUC is also requesting the Commission to transfer a small portion of its certificated service area for water service to SCWC. SCWC has been providing water to a single commercial customer immediately adjacent to its service area because the customer is isolated from the SCWUC water system by the Agua Fria River.
- 6. Applicants are requesting the Commission's approval to provide water and sewer service to areas which are adjacent to their existing certificated services areas and in which they are presently providing service. CUC's witness estimated that the entire area in question consists of approximately a section and one-half of land.
- CUC's subsidiaries had, over the years, extended service to these "fringe areas" at the 7. request of builders and individual homeowners.
- 8. Applicants have sufficient utility plant to provide water and wastewater service to the areas sought to be certificated herein.

On April 24, 2001, the Commission issued Decision No. 63584 that approved the transfer of the whole of CUC's water

Applicants have provided notice of the application and hearing thereon pursuant to the 9.

and wastewater facilities and related certificates to Arizona-American Water Company. DECISION NO. 64063

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Procedural Order.

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- 10. Applicants have secured the necessary franchises from Peoria, Surprise and Maricopa County for the areas described in Exhibit A.
- 11. There are no other public service corporations authorized to provide water or wastewater service in the areas described in Exhibit A.
- 12. Applicants are current on their filings with the Commission, the payment of their taxes and are in full compliance with the requirements of ADEQ for the operation of their water and wastewater facilities.
- 13. Applicants indicated that they will charge their existing rates and charges to customers in the areas described in Exhibit A.
- 14. Applicants are in compliance with the regulatory requirements of all State and Maricopa County agencies involved in the regulation of public water and wastewater facilities.
- 15. Staff recommends that the Commission approve the application and that Applicants be ordered to charge their existing rates and charges within the areas described in Exhibit A.

CONCLUSIONS OF LAW

- 1. Applicants are public service corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-252, 40-281 and 40-282.
- 2. The Commission has jurisdiction over Applicants and of the subject matter of the application.
- Notice of the application as described herein was given in the manner prescribed by 3. law.
- 4. The public convenience and necessity require that the public would benefit by the amendment of the Applicants' Certificates so that their certificated service areas include the areas more fully described in Exhibit A.
- 5. Applicants are fit and proper entities to receive amended Certificates which encompass the areas more fully described in Exhibit A.
- 6. The application for the extension/transfer of Applicants' Certificate(s) should be approved.

1 **ORDER** 2 IT IS THEREFORE ORDERED that the application of Sun City Water Company, Sun City 3 Sewer Company and Sun City West Utilities Company for the extensions/transfer of their 4 Certificate(s) of Convenience and Necessity for the operation of water and sewage facilities in the 5 areas more fully described in Exhibit A be, and is hereby, approved. 6 IT IS FURTHER ORDERED that Sun City Water Company, Sun City Sewer Company and 7 Sun City West Utilities Company shall charge those customers in the areas more fully described in 8 Exhibit A their existing rates and charges until further Order of the Commission. 9 IT IS FURTHER ORDERED that this Decision shall become effective immediately. 10 BY ORDER OF THE ARIZONA CORPORATION COMMISSION. 11 12 CHAIRMAN COMMISSIONER 13 14 15 16 Commission to be affixed at the Capitol, in the City of Phoenix, 17 18 19 BRIAN C. MCNEIL 20 21 DISSENT MES:mli 22 23 24 25 26

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IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the

COMMISSIONER

this 44 day of Ortober 2001.

EXECUTIVE SECKETARY

DECISION NO. 64063

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1	SERVICE LIST FOR:	SUN CITY WATER	COMPANY	AND	SUN	CIT
2	DO GUETTA VI	SEWER COMPANY				
3	DOCKET NO.	W-01656A-00-0777 ET AL.				
4	Michael Grant					
5	Todd C. Wiley GALLAGHER & KENNEDY					
6	2575 E. Camelback Road Phoenix, AZ 85016-9225					
7	Christopher Kempley, Chief Counsel					
8	Legal Division ARIZONA CORPORATION COMMISSIO	N				
9	1200 West Washington Street Phoenix, Arizona 85007					
10	Steve Olea, Acting Director Utilities Division					
11	ARIZONA CORPORATION COMMISSIO	N				
12	1200 West Washington Street Phoenix, Arizona 85007					
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Legal Descriptions of Proposed C. C. & N. Extension Areas Sun City Water Company

PARCEL 1

That portion of Section 30, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the S 1/4 corner of said Section 30; thence N00°16'26"W along the north-south mid-section line of said Section 30 a distance of 2,391.05 ft. to a point; thence N89°31'05"E a distance of 1,227.95 ft.; thence southwesterly along a non-tangent curve having a chord bearing of S06°21'32"W and a length of 201.90, whose radius is 817.44 ft. a distance of 202.42 ft.; thence S17°20'46"W a distance of 568.61 ft.; thence S72°44'57"E a distance of 25.00 ft.; thence S12°20'46"W a distance of 100.00 ft.; thence S65°53'13"E a distance of 113.56 ft.; thence S44°48'14"E a distance of 212.11 ft.; thence N45°04'23"E a distance of 30.00 ft.; thence S44°50'46"E a distance of 100.00 ft.; thence S45°04'23"W a distance of 30.00 ft.: thence S44°52'24"E a distance of 50.00 ft.; thence S49°08'16"E a distance of 96.50 ft.; thence S58°53'48"E a distance of 146.39 ft.; thence S71°54'35"E a distance of 145.30 ft.; thence S84°18'17"E a distance of 145.30 ft.; thence N89°31'12"E a distance of 19.95 ft.; thence S00°09'49"W a distance of 1045.34 ft. to a point on the south line of said Section 30; thence S89°49'07"W along the south line of said Section 30 a distance of 1,884.00 ft. to the Point of Beginning;

and

PARCEL 2

That portion of Section 19, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the Southwest corner of said Section 19, thence N00°34'46"W, 2,641.44 feet along the West line of said Section 19 to the W ¼ corner; thence N88°53'21"E, 2,313.80 feet along the mid-section line of said Section 19; thence S02°24'47"W, 2,651.86 feet to a point on the South line of said Section 19; thence S89°02'07"W, 2,177.26 feet along the South line of said Section 19 to the Southwest corner of said Section 19, said point being the point of beginning;

and

PARCEL 3

That portion of the SW ¼ of the SW ¼ of Section 21, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the SW corner of said Section 21; thence N88°17'15"E along the south line of said Section 21 a distance of 55.04 ft.; thence N00°34'15"E a distance of 55.04 ft. to the True Point of Beginning; thence continuing N00°34"15"E a distance of 150.00 ft.; thence N88°17'15"E a distance of 150.00 ft.; thence S00°34'15"W a distance of 150.00 ft.; thence S88°17'15"W a distance of 150.00 ft. to the True Point of Beginning;

and

PARCEL 4

That portion of the SW ¼ of Section 21, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the W ¼ corner of said Section 21; thence N87°17'50"E along the north line of the SW ¼ of said Section 21 a distance of 900 ft. to the True Point of Beginning; thence N87°17'26"E a distance of 1,108.11 ft.; thence S00°14'47"W a distance of 1,099.93 ft.; thence S31°59'12"W a distance of 638.96 ft.; thence N00°22'51"E a distance of 520.61 ft.; thence S86°59'08"W a distance of 779.57 ft.; thence N00°35'13"E a distance of 1,109.95 ft.; to the True Point of Beginning; except that portion lying within the W ½ of the SW ¼ and the W ½ of the W ½ of the E ½ of the SW ¼ of Section 21, T3N, R1E of the Gila and Salt River Base Meridian, Maricopa County, State of Arizona;

and

PARCEL 5

The W ½ of the SW ¼ of Section 6, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona;

Legal Descriptions of Proposed C. C. & N. Extension Areas Sun City West Utilities Company - Water

PARCEL 1

That portion of the N ½ of G.L.O. Lot 4 of Section 2, Township 3 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the NW corner of said Section 2, thence S00°02'35"E along the west line of said Section 2 also being the centerline of Dysart Road, 430.50 feet; thence S89°55'23"E, a distance of 841.80 feet; thence S00°02'35"E, 323.72 feet to the south line of said north half; thence S89°42'04"E along said south line 186.82 feet; thence N00°02'35"W, parallel with and 1,028.62 feet east of said west line, 755.15 feet to the north line of said Lot 4 also being the centerline of Bell Road; thence N89°56'04"W along said north line, 1,028.62 feet to the point of beginning; containing 11.56 Acres, more or less;

and

PARCEL 2

The W ½ of the W ½ of Section 36, Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona.

Legal Descriptions of Proposed C. C. & N. Extension Areas Sun City Sewer Company

PARCEL 1

That portion of Section 30, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the S 1/4 corner of said Section 30; thence N00°16'26"W along the north-south mid-section line of said Section 30 a distance of 2,391.05 ft. to a point; thence N89°31'05"E a distance of 1,227.95 ft.; thence southwesterly along a non-tangent curve having a chord bearing of S06°21'32"W and a length of 201.90, whose radius is 817.44 ft. a distance of 202.42 ft.; thence S17°20'46"W a distance of 568.61 ft.; thence S72°44'57"E a distance of 25.00 ft.; thence S12°20'46"W a distance of 100.00 ft.; thence S65°53'13"E a distance of 113.56 ft.; thence S44°48'14"E a distance of 212.11 ft.; thence N45°04'23"E a distance of 30.00 ft.; thence S44°50'46"E a distance of 100.00 ft.; thence S45°04'23"W a distance of 30.00 ft.: thence S44°52'24"E a distance of 50.00 ft.; thence S49°08'16'E a distance of 96.50 ft.; thence S58°53'48"E a distance of 146.39 ft.; thence S71°54'35"E a distance of 145.30 ft.; thence S84°18'17"E a distance of 145.30 ft.; thence N89°31'12"E a distance of 19.95 ft.; thence S00°09'49"W a distance of 1045.34 ft. to a point on the south line of said Section 30; thence \$89°49'07"W along the south line of said Section 30 a distance of 1,884.00 ft. to the Point of Beginning;

and

PARCEL 2

That portion of the SE quarter of Section 30, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the SE comer of said Section 30; thence S89°49'07"W along the south line of said Section 30, a distance of 225.00 ft. to the True Point of Beginning; thence N00°09'49"E a distance of 175.00 ft.; thence S89°49'07"W a distance of 220.00 ft.; thence S00°09'49"W a distance of 175.00 ft.; thence N89°49'07"E a distance of 220.00 ft. to the True Point of Beginning;

and

PARCEL 3

The south 385 ft. of the west 310.01 ft. of the east 775.01 ft of the SE ¼ of Section 30, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona;

and

PARCEL 4

The W ½ of the SW ¼ of Section 6, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona;

and

PARCEL 5

That portion of Section 21, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the SW corner of said Section 21; thence N88°17'15"E along the south line of said Section 21 a distance of 840.11 ft.; thence N00°27'30"E a distance of 500.36 ft.; thence S88°17'15"W a distance of 839.13 ft.; thence S00°34'15"W, a distance of 500.40 ft. to the Point of Beginning;

and

PARCEL 6

That portion of Section 28, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the NW corner of said Section 28; thence N88°10'00''E along the North line of said Section 28 a distance of 1264.00 ft.; thence S11°58'40''W a distance of 960.22 ft.; thence S31°42'40''W a distance of 652.73 ft.; thence S38°25'30''W a distance of 420.51 ft.; thence S23°48'10''W a distance of 513.38 ft.; thence S8°44'40''W a distance of 385.43 ft to a point on the South line of the NW ¼; thence S88°15'00''W along said south line a distance of 175.55 ft to the W ¼ corner of said Section 28; thence N0°26'30''W along the west line of the NW ¼ Section 28 a distance of 2640.33 ft. to the Point of Beginning;

Legal Descriptions of Proposed C. C. & N. Extension Areas Sun City West Utilities Company – Wastewater

PARCEL 1

That portion of the North ½ of G.L.O. Lot 2 and the North ½ of G.L.O. Lot 3 of Section 2, Township 3 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the NW corner of said Section 2; thence S89°56'04"E along the North line of said Section 2, a distance of 1317.20 ft. to the True Point of Beginning also being the NW corner of said Lot 3; thence S00°01'39"E along the West line of said Lot 3, a distance of 514.32 ft.; thence S89°42'04"E parallel with the 242.00 ft. northerly of the South line of said N ½ of Lot 3 a distance of 104.00 ft.; thence S00°01'39"E parallel with and 104.00 ft. easterly of said west line of Lot 3, a distance of 212.00 ft to the north line of Elm Street; thence S89°42'11"E along said north line a distance of 1213.02 ft. to the east line of said Lot 3; thence S89°42'04"E along said north line of Elm Street a distance of 19.73 ft to the SE corner of TRACT B of CROSSROADS TOWNE CENTER as shown in Book 391 of Maps, Page 47, M.C.R.; thence along the east line of said TRACT B and along the south line of TRACT A of said CROSSROADS TOWNE CENTER the following 6 (six) courses;

- 1. N00°01'12"W, 76.68 ft;
- 2. along a tangent curve concave to the southwest, having a radius of 172.10, through a central angel of 44°34'20" an arc distance of 133.88 ft.; -
- 3. N44°35'32"W, 216.84 ft.;
- 4. along a tangent curve concave to the east, having a radius of 23.50 ft, through a central angle of 104°25 38" an arc distance of 42.83 ft.;
- 5. along a tangent compound curve, having a radius of 164.11 ft, through a central angle of 30°13'50" an arc distance of 86.59 ft.;
- 6. S89°56'04"E, 673.90 ft.;

thence along the easterly line of LAKE TRACT A of said CROSSROADS TOWNE CENTER the following 21 (twenty-one) courses;

- 1. S00°03'56"W, 7.94 ft.;
- 2. S01°11'55"E, 14.99 ft.;
- 3. S78°24'47"E, 15.07 ft.;
- 4. S83°54'51"E, 14.91 ft;
- 5. S77°46'51"E, 15.04 ft.;
- 6. \$80°47'11"E, 15.01 ft.;
- 7. S67°09'12"E, 14.95 ft.;
- 8. S47°54'33"E, 15.10 ft.;
- 9. S32°27'50"E, 14.92 ft.;
- 10. S21°04'03"E, 9.64 ft.;
- 11. S11°23'31"W, 14.96 ft.;

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12. S25°06'28"W, 14.97 ft.;

13. S30°49'02"W, 15.06 ft.;

14. S30°39'00"W, 14.96 ft.;

15. S40°03'19"W, 15.01 ft.;

16. S45°29'21"W, 14.96 ft.;

17. S53°30'08"W, 14.94 ft.;

18. S57°39'49"W, 15.04 ft.;

19. S60°33'24"W, 14.94 ft.;

20. S71°05'22"W, 15.02 ft.;

21. S72°46'16"W, 12.09 ft.;
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thence S30°17'49"W, a distance of 130.00 ft.; thence S59°42'11"E, a distance of 13.72 ft.; thence S30°17'49"W, a distance of 92.75 ft.; thence S00°17'49"W, a distance of 63.84 ft. to the south line of said N ½ of Lot 2; thence S89°42'11"E along said south line, a distance of 820.75 ft to the west line of Greasewood Street; thence N00°00'12"E along said west line, a distance of 766.88 ft. to the north line of said Section 2; thence N89°56'04"W along said north line, 2604.09 ft. to the True Point Beginning; containing 37.90 Acres, more or less;

and

PARCEL 2

That portion of the N ½ of G.L.O. Lot 4 of Section 2, Township 3 North, Range 1 West of the Gila and Salt River Base Meridian, Maricopa County, State of Arizona, being more particularly described as follows:

Beginning at the NW comer of said Section 2; thence S00°02'35"E along the west line of said Section 2 also being the centerline of Dysart Road, 750.96 ft to the SW comer of said N ½ of Lot 4; thence S89°42'04"E along the south line of said N ½, 841.81 ft; thence N00°02'32"W parallel with and 841.81 ft east of said west line, 323.72 ft.; thence N89°55'23"W, 40.30 ft; thence N00°02'35"W, parallel with and 801.50 ft east of said west line, 430.66 ft to the north line of said Section 2 also being the center line of Bell Road; thence N89°56'04"W along said north line, 801.50 ft to the point of beginning; containing 14.15 Acres, more or less;

and

PARCEL 3

The W ½ of the W ½ of Section 36, Township 4 North, Range 1 West of the Gila and Salt River Base Meridian, Maricopa County, State of Arizona.

Legal Descriptions of Proposed C. C. & N. Extension Areas Sun City West Utilities Company – Water Transfer Parcel

PARCEL 1

The SE ¼ of the SE ¼ and the SE ¼ of the NE ¼ of the SE ¼ and the SE ¼ of the SW ¼ of the SE ¼ of Section 24, Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, State of Arizona.